



North Carolina Department of Health and Human Services

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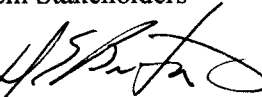
Michael F. Easley, Governor

Dempsey Benton, Secretary

April 4, 2008

MEMORANDUM

TO: Members of the Joint Legislative Oversight Committee on MH/DD/SAS
Local Management Entity Directors
Commission for MH/DD/SAS
MH/DD/SA System Stakeholders

FROM: Dempsey Benton 

SUBJECT: Mercer Evaluation of the Performance of Local Management Entities

The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities and Substance Abuse Services has contracted with Mercer Government Human Services Consulting, a component of Mercer Health & Benefits LLC, to conduct the first comprehensive, independent evaluation of the performance of the twenty-five (25) Local Management Entities (LMEs). The attached report is the first deliverable under that contract.

Under the direction of DHHS, LMEs are responsible for managing mental health, developmental disabilities, and substance abuse services at the local level throughout the state. The performance level of the LMEs has a direct impact on how easily and quickly consumers can access services and the quality and effectiveness of the services they receive. This report describes the attributes of a fully functioning LME and evaluates each LME on overall performance and on performance in three broad categories: financial and business management; information technology and claims management; and clinical operations and governance. The report also includes recommendations for how to improve performance in each of these areas. Finally, this report includes three consolidation options studied by Mercer to achieve cost effectiveness in LME operations. The final deliverable from the contract, a companion report that quantifies the cost savings that might be achieved through each consolidation option, will be available in May, 2008.

The goal for the public mental health, developmental disabilities, and substance abuse services system is to ensure that all people in North Carolina, regardless of where they live, have access to a consistent level of high quality services. The information contained in this thorough evaluation of the performance of the LMEs will be of great value as we work to design and implement strategic system changes to achieve that goal.

cc: Division Directors
Dan Stewart
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